

# EXTENSIONS OF REMARKS

“JUNK JOURNALISM 101”

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1996

Mr. OXLEY. Mr. Speaker, I would like to bring a recent column by Robert J. Samuelson to the attention of my colleagues. The subject is media coverage of the economy.

I am dismayed by the inferior quality of reporting on economic issues presented by the national news media. Whether the topic is the minimum wage, foreign investment, tax policy, or international trade, the American public is fed a steady diet of conjecture and cliché in the guise of hard economic reporting.

What we have is journalism based on emotion and ideology rather than fact or economic principle. We have business page editors more interested in financial scandal than financial growth, and features editors obsessed with fiscal misfortune. Negativism, sensationalism, and economic illiteracy rule the airwaves and the news page.

The complexities of the domestic and global economies are frequently ignored in favor of melodramatic stories and conclusions unsupported by common experience or economic fact. Tax and trade issues are taken out of context or selectively reported in a manner promoting protectionist demagoguery and economic resentments.

Ultimately, culpability for this state of affairs rests with senior editors seemingly unfamiliar with accepted economic theory. Frozen in a Keynesian, New Deal mentality, they seem wedded to redistributionist, big-government solutions to every economic trepidation, real or imagined.

The result of decades of decision-making by liberal-leaning editors is an institutional bias against conservative economic theory and a brand of reporting infused with prejudice against conservative policies. Republican initiatives are panned or ignored, while the studies of every left-wing think tank in Washington, DC are dutifully reported without dissent or criticism.

Again Mr. Speaker, I commend the following column by Robert Samuelson to the attention of all interested parties.

[From the Washington Post, Sept. 18, 1996]

JUNK JOURNALISM 101

(By Robert J. Samuelson)

The Philadelphia Inquirer began a 10-part series last week titled “America: Who Stole the Dream?” that will attract attention. The thesis is simple: Big Government and Big Businesses are relentlessly reducing living standards and job security for most Americans. The series, by Donald Barlett and James Steele, portrays living in America as a constant hell for all but the super-wealthy. This seems overdrawn, because it is. It’s junk journalism, and the intriguing question is why a reputable newspaper publishes it.

I call it “junk,” because it fails the basic test of journalistic integrity and competence: It does not strive for truthfulness,

however impossible that ideal is to attain. It does not seek a balanced picture of the economy—strengths as well as shortcomings—or an accurate profile of living standards. Instead it offers endless stories of people who have suffered setbacks. Their troubles are supposed to speak for (and to) everyone.

They don’t. Statistics implying lower living standards are contradicted by what people buy or own. Home ownership (65 percent of households) is near a record. In 1980, 11 percent of households owned a microwave oven, 37 percent a dishwasher and 56 percent a dryer; by 1993, those figures were 78 percent, 50 percent and 68 percent. People buy more because their incomes are higher. (Statistics understate incomes by overstating inflation’s effect on “real” wages and salaries.) As for anxiety, it exists—and always will. But America is not clinically depressed. The Gallup poll reports that 66 percent of Americans expect their financial situation to improve in the next year.

The Inquirer’s twisted portrait of the economy is not, unfortunately, unique. Earlier this year, the New York Times ran a distorted series (which I criticized) on corporate “downsizing.” A recent “CBS Reports” called “Who’s Getting Rich? and Why Aren’t You?” is another example. Explanations for this sort of shoddy journalism fall into three classes: (1) sensationalism—it sells; (2) ideology—journalists detest the profit motive; and (3) ignorance—they don’t know better. Sensationalism and anti-business bias are old hat, but the larger problem, I think, is ignorance or something akin to it.

Journalism copes awkwardly with the ambiguities of many economic stories. We’re most comfortable with scandals, trials, politics, sports and wars. The conflicts are obvious, moral judgments often can be made, and stories have clean endings. The economy defies such simple theater. The process by which wealth is created is unending and complex. Costs and benefits are comingled. What’s bad today may be good tomorrow. What hurts some may help many others. Low inflation is good, but ending high inflation may require something bad: a harsh recession.

The capacity of journalist to recognize such distinctions has grown since 1969, when I first began reporting on the economy. Daily economic stories have improved in quality. But there’s one glaring exception to the progress: the nation’s top editors. Outside the business press (for example, the Wall Street Journal), the people who run newspapers, magazines and TV news divisions don’t know much about the economy—and seem unbothered by their ignorance.

The assumption is that most economic stories are done by specialized reports and aimed at specialized audiences. While this assumption holds, editorial ignorance doesn’t matter much. Little damage occurs if know-nothing editors don’t do much. But on big projects—newspaper series, magazine cover stories, TV documentaries—the assumption collapses. Editorial control shifts upward, and there’s a scramble for familiar news formulas. Editors want villains and heroes, victims and predators. Reporters who promise simple morality tales can sell their stories. The frequent result is journalistic trash.

The Inquirer series blames the “global economy” and “free trade” policies for low-

ering wages and destroying jobs. What it doesn’t say is that the trade balance and employment are hardly connected. Barlett and Steele deplore the fact that the last U.S. trade surplus was in 1975, but they don’t tell readers that the unemployment rate in 1975 was 8.5 percent. They note that other countries run trade surpluses. Between 1980 and 1995, Germany had 16, the Netherlands 14 and Sweden 13. But they don’t say that the unemployment rates for their countries are 9 percent for Germany, 6 percent of the Netherlands and 9 percent for Sweden. By contrast, the U.S. rate is 5.1 percent.

Trade doesn’t determine unemployment, because trade mainly affects a small part of the job base: manufacturing. In 1995, its share of all U.S. jobs was 16 percent. Trade creates some jobs and destroys others, but total employment depends mainly on the economy’s overall vitality. The United States runs regular trade deficits in part because the rest of the world wants dollars to finance global commerce or substitute for weak local currencies. As a result, we don’t have to sell as much abroad as we buy; the difference is made up by the dollars other countries keep. All those extra imports raise—not lower—U.S. living standards.

If Barlett and Steele wanted to inform readers, they’d explain all this. But they’re mainly interested in condemning. Everything they discuss (trade policies, growing income inequality, executive compensation) is the legitimate stuff of journalism. What’s illegitimate is to report matters so selectively—with so little attention to conflicting evidence or any larger context—that ordinary readers are misled. The press can do better. The Los Angeles Times recently ran a good series on the gains that economic change creates as well as trauma it inflicts.

The real fault here lies with the top editors (at the Inquirer, the Times and other media giants) who commission or approve these distortions. There’s no excuse for their ineptness. The “economic story” is no longer new. It is central to the American condition and, therefore, a permanent concern of journalism. If editors don’t understand the economy, they can’t exercise good judgment. The present sanctioned stupidity leads to junk journalism.

BIRTH OF ALEXANDRA KATHRYN RANDALL

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1996

Mr. NEY. Mr. Speaker, I commend the following to my colleagues:

Whereas Alexandra Kathryn Randall was born on the twelfth day of August, 1996;

Whereas Alexandra’s parents, David and Courtney Randall, are proud to welcome their first child into their home; and,

Whereas I am sure that Alexandra Kathryn will bring her parents and family love and joy; Therefore, be it

*Resolved*, That the parents of Alexandra Kathryn, with a real sense of pleasure and pride, join me in celebrating her birth and the happiness she brings to their family.

• This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.